



Q & M DENTAL GROUP (SINGAPORE) LIMITED
(Company Registration Number 200800507R)
(Incorporated in the Republic of Singapore)

UPDATE ON THE COMPANY'S MALAYSIA OPERATIONS

INCORPORATION OF A NEW SUBSIDIARY IN MALAYSIA

1. The Board of Directors (the "**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**") wishes to announce that the Company had on 7 June 2017 incorporated a subsidiary in Singapore under the name Q & M Dental Holdings (Malaysia) Pte. Ltd. ("**QMHM**").
2. QDHM has an issued share capital of SGD 1 comprising of 1 ordinary share. The Company had subscribed to 100% of the shareholding of QMHM.
3. The investment in QMHM was funded by internal resources and the principal activity is to act as a holding company for the Company's businesses in Malaysia.

PROPOSED ACQUISITION OF BUSINESS ASSETS

4. The Board further wishes to announce that the Company, through its subsidiary, Q & M Dental Surgery (Bandar Puteri Puchong) Sdn. Bhd., has entered into a sale and purchase agreement (the "**SPA**") dated 9 June 2017 with Christopher Tan Chee Siu (the "**Vendor**") for the acquisition of business assets used in the operations of CS Tan Dental Surgery located at 6.5B Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia (the "**Business Assets**") from the Vendor (the "**Proposed Acquisition**").
5. CS Tan Dental Surgery is a sole proprietorship operated by the Vendor and is in the business of providing general and specialist dentistry services at a dental clinic located at 6.5B Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.
6. The consideration for the Proposed Acquisition is RM 300,000 (approximately S\$96,774)¹ to be paid in cash to the Vendor upon completion of the Proposed Acquisition (the "**Purchase Consideration**").
7. The Purchase Consideration was arrived at after negotiations on a willing-buyer, willing-seller basis. In arriving at the Purchase Consideration, the Company has taken into account, *inter alia*, the current market conditions, the history, track record and future prospects of CS Tan Dental Surgery, the expertise of the Vendor, who shall sign a 10 years service agreement with the Company, and the strategic merits of the Proposed Acquisition.
8. The SPA provides that Vendor guarantees that the audited net profits after taxation of the dental business relating to CS Tan Dental Surgery shall not be less than RM 497,393 (approximately S\$160,449) for the 10-year period commencing from the completion date.

¹ The exchange rate of S\$1 to RM 3.1 is used in this announcement.

9. Completion of the Proposed Acquisition is subject to, *inter alia*, the results of a due diligence exercise by the Company over the business, affairs, operations, assets, financial condition, prospects and records of the Business Assets and CS Tan Dental Surgery being satisfactory to the Company in its sole and absolute discretion;
10. The Proposed Acquisition is in line with the Company's plan to continue the expansion of its main dental business in Malaysia.
11. The Company will make the relevant update announcement(s) in compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the Proposed Acquisition.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

12. None of the Directors and substantial shareholders have any interests, direct or indirect, in the Proposed Acquisition, other than through each of their respective shareholding interests, direct and/or indirect (if any), in the Company.

DOCUMENT FOR INSPECTION

13. A copy of the SPA is available for inspection by shareholders of the Company at the registered office of the Company at 81 Science Park Drive, #02-04, The Chadwick, Singapore Science Park 1, Singapore 118257 during normal business hours for a period of three (3) months from the date of this announcement.

TRADING CAUTION

14. **Shareholders and potential investors are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

By Order of the Board
Q & M Dental Group (Singapore) Limited

Vitters Sim
Chief Financial Officer
15 June 2017

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